

## Message Text

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PAGE 01 LONDON 10605 061500Z

ACTION EB-04

INFO OCT-01 SS-04 ISO-00 EUR-03 NSCE-00 CEA-01 FRB-03

INR-01 INRE-00 CIAE-00 SSO-00 /017 W

-----032297 061508Z /46

O R 061452Z JUL 78

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 7843

TREASURY DEPT WASHDC IMMEDIATE

INFO AMEMBASSY COLOMBO

AMEMBASSY NEW DELHI

C O N F I D E N T I A L LONDON 10605

LIMDIS GREENBACK

E.O. 11652: X-GDS

TAGS: EFIN, UK

SUBJECT: U.K. ACTION ON LDC DEBT

REF: STATE 169961

1. U.K.GOVERNMENT OFFICIALS INDICATE THERE HAS BEEN NO FORMAL ANNOUNCEMENT OF DETAILS OF DEBT RELIEF FOR LDC'S TO THIS POINT. IT APPEARS, HOWEVER, THAT SUCH AN ANNOUNCEMENT COULD COME AT ANY TIME THE PRIME MINISTER CHOOSES --TODAY OR TOMORROW, FOR EXAMPLE IN BREMEN, OR PERHAPS AROUND THE TIME OF THE SUMMIT. MINISTERS HAVE MADE THE SUBSTANTIVE DECISION TO FORGIVE A REASONABLE AMOUNT OF DEBT OF THE DEVELOPING COUNTRIES, ALTHOUGH THERE ARE STILL SOME POINTS THAT MUST BE WORKED OUT.

2. THE CURRENT PLAN FORGIVES ALL GOVERNMENT-TO GOVERNMENT DEBT SERVICE FOR 22 OF THE POOREST LDC'S. TWO OF THE POOREST LDC'S WILL BE EXCLUDED ON GROUNDS OF HUMAN RIGHTS VIOLATIONS. (THE TWO ARE IN DEFAULT IN ANY EVENT.) INDIA'S DEBT RELIEF WILL NOT FORGIVE DEBT SERVICE, BUT WILL PROVIDE AN EQUIVALENT SUM THROUGH EASING LOCAL COST

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PROVISIONS. THE DETAILS ON INDIA'S RELIEF ARE A SUBJECT OF NEGOTIATION BETWEEN THE TWO COUNTRIES AND CONSTITUTE THE LOOSE ENDS OF THE DEBT RELIEF PACKAGE.

3. AROUND 1.3 BILLION POUNDS OF LDC DEBT WILL BE AFFECTED, WHICH WOULD HAVE GENERATED 50 MILLION POUNDS OF DEBT SERVICE EACH YEAR.

4. INFORMATION IN THIS MESSAGE IS TIGHTLY HELD. PLEASE  
TREAT AS NOFORN.

BREWSTER

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NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LESS DEVELOPED COUNTRIES, POLICIES, DEBTS, DEBT REPAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 jul 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** DG ALTERED PER 78 LONDON 11781  
**Executive Order:** X1  
**Errors:** N/A  
**Expiration:**  
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**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
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**TAGS:** EFIN, UK  
**To:** STATE TRSY  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014